

# The Week in Review | Week 33

## EQUITIES

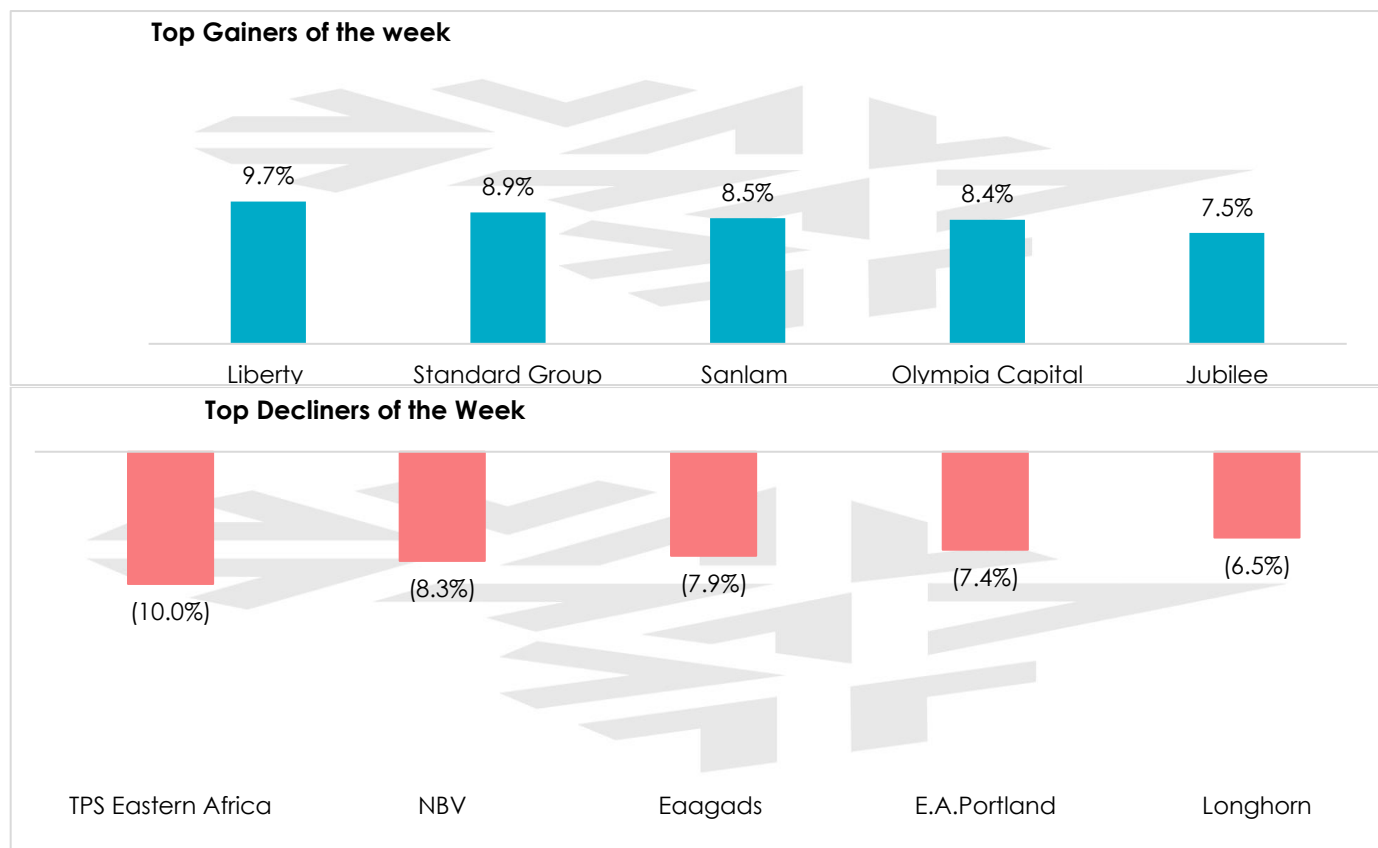
### Local Market Performance

WEEKLY MARKET DATA			
VARIABLES	LAST FRI	THIS FRI	W/W%
NASI	102.06	102.47	0.4%
NSE-10	1,062.62	1,062.52	(0.0%)
NSE-20	1,633.69	1,643.81	0.6%
NSE-25	2,734.60	2,740.42	0.2%
Weekly Shares Traded (Mn)	103.60	60.76	(41.3%)
Weekly Eqty T/O (KES Mn)	1,920.57	783.14	(59.2%)
Mkt Cap (KES Bn)	1,594.56	1,600.93	0.4%

Source: NSE, NCBA IB Research

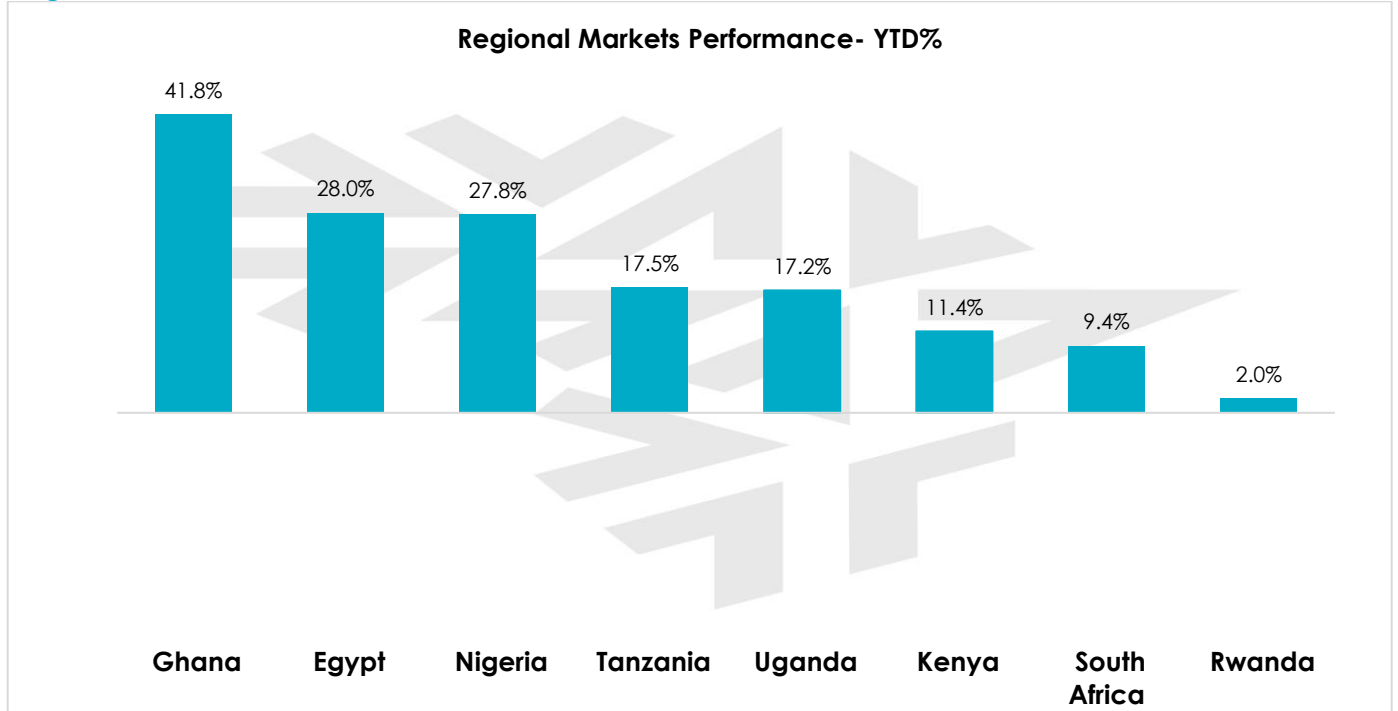
Foreign investors accounted for **35%** of the total turnover and they were net buyers with net foreign inflows of **KES 46.44Mn** from the previous inflow of KES 402.43Mn.

### NSE Counter Performance



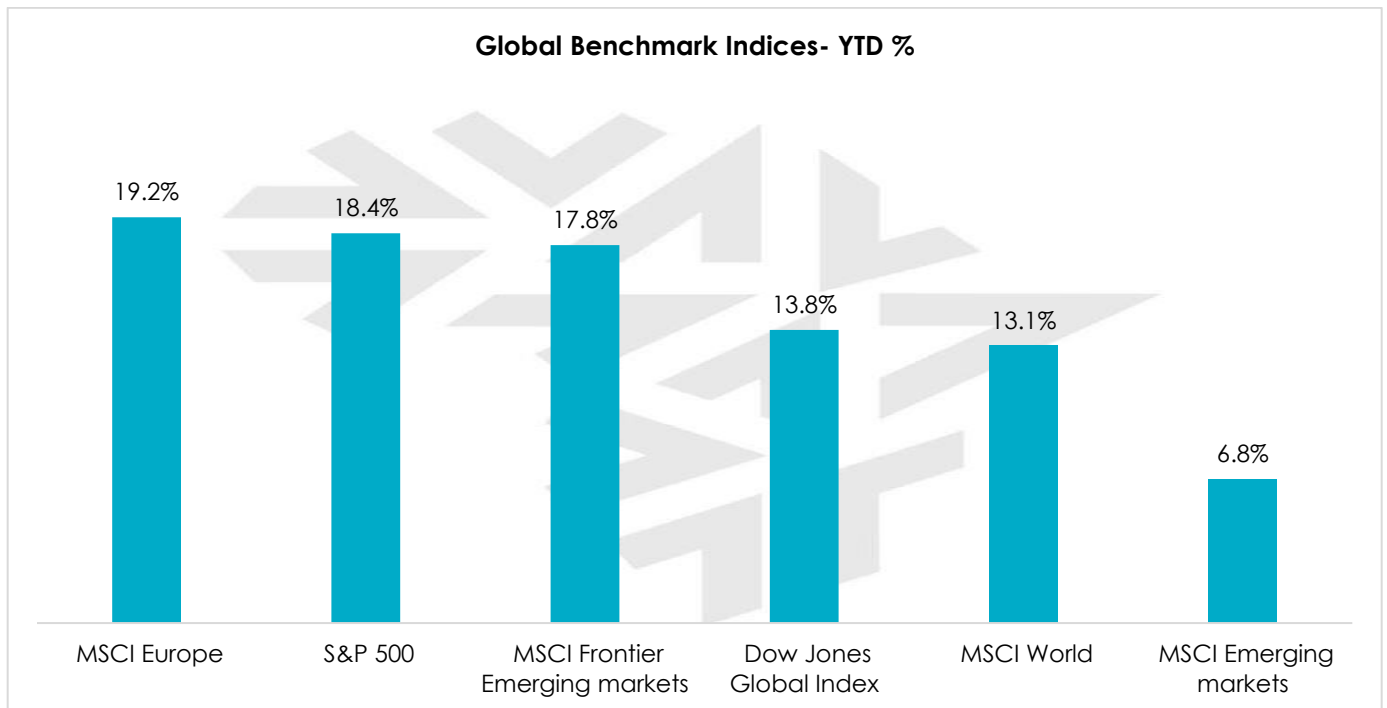
Source: NSE, NCBA IB Research

### Regional Markets YTD% Performance



Source: Bloomberg, NCBA IB Research

### Global Benchmark Indices YTD % performance



Source: Bloomberg, NCBA IB Research

## Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
Kenya Re Insurance	Bonus Issue	25-Jun-24	26-Aug-24
Liberty Kenya	KES 0.37	14-Jun-24	24-Aug-24
Safaricom	KES 0.65	31-Jul-24	31-Aug-24
Williamson Tea Kenya	KES 15.00	31-Jul-24	2-Sep-24
Kapchorua Tea Kenya	KES 15.00	31-Jul-24	2-Sep-24
British America Tobacco	Kes.5.00	30-Aug-24	27-Sep-24
Laptrust Imara I-REIT	KES 0.38	21-Aug-24	30-Sep-24
East African Breweries	Kes.6.00	16-Sep-24	16-Oct-24
Stanbic Holdings Plc	(Interim) Kes.1.84	2-Sep-24	27-Sep-24
HF Group Plc	Rights Issue(1:3)	Subject To Approval	
Centum Investment Company	Kes.0.32	Subject To Approval	

Source: NCBA IB Research, NSE

## FIXED INCOME

### Primary Market

Treasury bills were **oversubscribed** during the week, with a subscription rate of **107.25%** out of which the government accepted **KES 25.62Bn (99.53% acceptance rate)**. Majority of the bids geared towards the 182-day paper as investors look to lock in higher interest rates.

Subscription	Amount offered KES Bn	Bids received week 33	Bids received week 32
91 day	4.00	10.52	12.55
182 day	10.00	11.04	19.31
364 day	10.00	4.18	7.44
<b>Total</b>	<b>24.00</b>	<b>25.74</b>	<b>39.30</b>

Prevailing rates	Week 33	Week 32	W/W change (bps)
91 Day	15.81%	15.82%	(0.83)
182 Day	16.71%	16.71%	(0.70)
364 Day	16.87%	16.91%	(4.77)

Source: CBK, NCBA IB Research

### Results of AUGUST 2024 BONDS | Re-opened IFB1/2023/6.5 & IFB1/2023/17

The Central Bank of Kenya received a total of **KES 128.32Mn** (256.64% Subscription rate), out of which it accepted **KES 88.69Mn**, (an acceptance rate of 69.12%)

See below a summary of the Treasury bond auction results:

Issue	IFB1/2023/6.5 (Re-opened)	IFB1/2023/17 (Re-opened)
Tenor to Maturity	5.7 Yrs	14.3 Yrs
<b>Offered Amount (KES Mn)</b>	<b>50,000.00</b>	
Bids Received (KES Mn)	98,861.91	29,460.52
<b>Amount Accepted (KES Mn)</b>	<b>74,167.60</b>	<b>14,530.92</b>
<b>Market Weighted Average Rate (%)</b>	<b>18.469%</b>	<b>18.158%</b>
<b>Weighted Average Rate of Accepted Bids (%)</b>	<b>18.299%</b>	<b>17.728%</b>
Adjusted Average Price (Per KES 100)	103.737	90.422
<b>Coupon Rate (%)</b>	<b>17.933%</b>	<b>14.399%</b>

Source: CBK, NCBA IB Research

### Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 6.93Bn** from KES 10.53Bn traded in the previous week.

The S&P Sovereign Bond Index increased to close at 93.00 from 92.46 in the previous week.

*The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.*

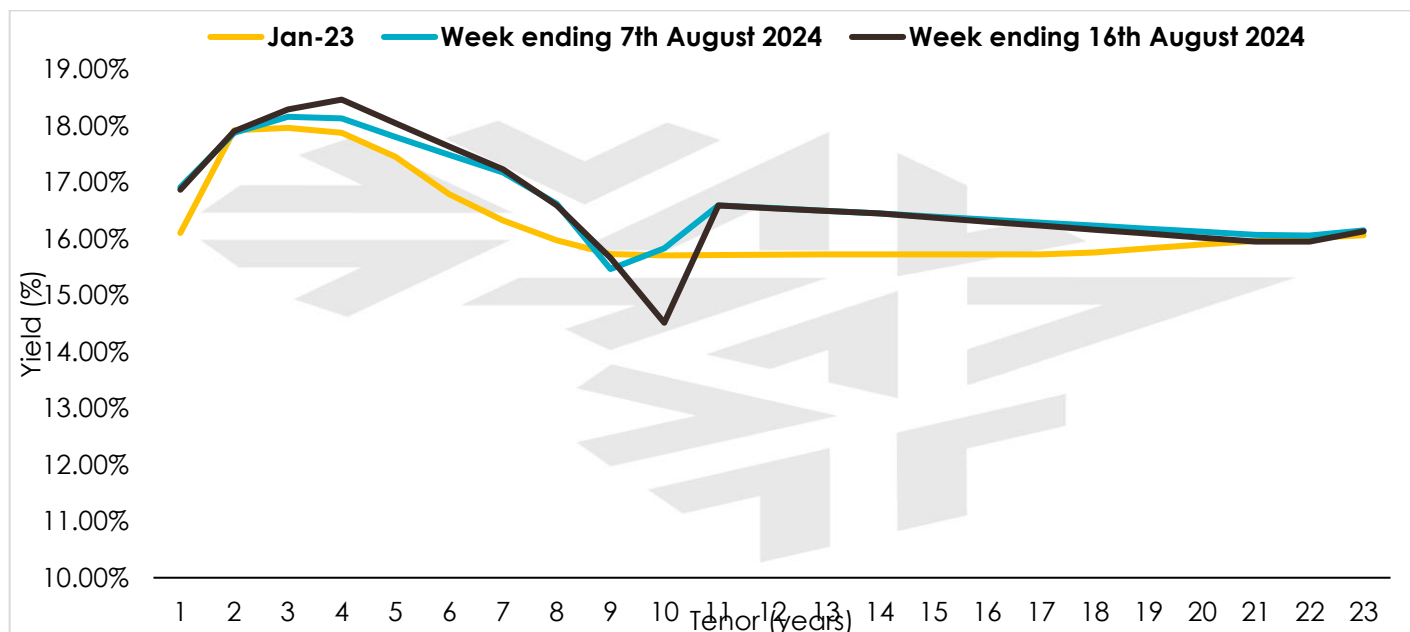
See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
FXD 1/2024/3Yr	2.41	18.39%	<b>18.31%</b>	<b>1,262.00</b>	10
FXD 1/2020/5Yr	0.71	11.67%	<b>18.10%</b>	<b>1,000.00</b>	1
FXD 1/2023/5Yr	3.91	16.84%	<b>17.87%</b>	<b>958.40</b>	20
IFB1/2024/8.5Yr	8.00	18.46%	<b>17.68%</b>	<b>923.80</b>	54
FXD1/2023/10Yr	8.48	14.15%	<b>14.28%</b>	<b>828.00</b>	9

Source: NSE, NCBAIB Research

### Government Securities Yield Curve

The yield on government securities remains elevated with investors demanding higher returns to cushion against duration and interest rate risks.



Source: NSE, NCBAIB Research

### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields declined during the week following an improvement in the political environment arising from the protests.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Previous Yield (%)	Current Yield (%)	Change (Bps)
KENINT 05/22/2027	3	900	7.00%	11.37%	10.56%	(80.90)
KENINT 02/28/2028	4	1,000	7.25%	11.51%	10.82%	(68.60)
KENINT 02/16/2031	7	1,500	9.75%	11.74%	11.06%	(68.30)
KENINT 05/22/2032	8	1,200	8.00%	11.62%	10.94%	(68.30)
KENINT 01/23/2034	10	1,000	6.30%	11.54%	10.80%	(73.70)
KENINT 02/28/2048	24	1,000	8.25%	11.55%	11.06%	(49.10)

Source: Bloomberg, NCBA IB Research

### Inflation

The annual headline inflation rate as measured by the Consumer Price Index (CPI) declined to 4.3% in July from 4.6% in June 2024, mainly driven by lower energy prices.

Food inflation remained unchanged at 5.6% in June and July 2024. Fuel inflation declined to 4.5% from 6.4% in June 2024, mainly due to lower electricity and pump prices.

Statistic	Current	Previous	Change (bps)
CBR	13.00%	12.50%	50.0
Inflation	4.3%	4.6%	(30.0)

### Liquidity conditions

Liquidity conditions in the interbank space **eased**. Indicatively, the overnight interbank rate declined by 18.6 bps week on week to close at 12.85%.

The average daily traded volumes declined to KES 35.92Bn from KES 33.69Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	12.85%	13.04%	(18.6)
Average Interbank volume KES Bn	25.92	33.69	(23.07%)

### Currency

On the FX front, the shilling appreciated against the greenback, closing at **129.14**.

Foreign exchange reserves increased by **0.58%** week on week to close at **US 7.32Bn**, the reserves represent **3.8 months** of import cover which meets the CBK's statutory requirement of at least 4 months of import cover.

The U.S Dollar Index (**DXY**) declined to close at 102.40 from 103.20 in the previous week.

*The DXY indicates the general international value of the USD. The DXY does this by averaging the exchange rates between the US Dollar and major world currencies.*

Currency	Week 33	Week 32	W/W change (%)
US Dollar	129.14	129.95	(0.62%)
STG Pound	166.32	166.05	0.16%
Euro	141.85	140.21	1.17%
Forex reserves	7,316.00	7,274.00	0.58%

Source: CBK, NCBA IB Research

### Kenya Government Debt Maturities Schedule – August 2024:

The government has total domestic debt maturities of **KES 117.35Bn** in the month of August 2024 compared to **KES 119.67Bn** in June 2024. We expect **robust government activity** in the local market.

Treasury Bills	
Payment Date	Amount KES 'Mn
August 5, 2024	3,414.62
August 12, 2024	12,535.49
August 19, 2024	14,190.91
August 26, 2024	11,396.80
<b>Total</b>	<b>41,537.82</b>

Coupon payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2013/015	12-Aug-24	7-Feb-28	82,473.25	11.25%	4,639.12
FXD3/2019/010	12-Aug-24	6-Aug-29	68,743.45	11.52%	3,958.59
FXD1/2023/010	12-Aug-24	31-Jan-33	28,387.06	14.15%	2,008.53
SDB1/2011/030	12-Aug-24	21-Jan-41	28,144.70	12.00%	1,688.68
FXD1/2021/020	12-Aug-24	22-Jul-41	75,984.00	13.44%	5,107.64
FXD1/2023/002	19-Aug-24	18-Aug-25	94,724.39	16.97%	8,038.45
FXD1/2016/010	19-Aug-24	17-Aug-26	74,495.75	15.04%	5,601.71
FXD1/2018/010	19-Aug-24	14-Aug-28	40,584.60	12.69%	2,574.28
FXD1/2019/010	19-Aug-24	12-Feb-29	67,524.85	12.44%	4,199.37
FXD1/2020/015	19-Aug-24	5-Feb-35	73,156.30	12.76%	4,665.91
IFB1/2017/012	19-Aug-24	12-Feb-29	6,249.55	12.50%	390.60
IFB1/2020/011	19-Aug-24	11-Aug-31	80,249.60	10.90%	4,373.60
IFB1/2022/019	19-Aug-24	28-Jan-41	98,377.55	12.97%	6,377.32
IFB1/2024/8.5	19-Aug-24	9-Aug-32	240,334.85	18.46%	22,183.75
<b>Total</b>					<b>75,807.56</b>

Source: CBK, NCBA IB Research

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